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FIRST COUNTRY COOPERATION FRAMEWORK FOR THE SYRIAN ARAB REPUBLIC (1997-2000)

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INTRODUCTION

1. The first country cooperation framework (CCF) for the Syrian Arab Republic was the result of a long consultation process between the Government of the Syrian Arab Republic and UNDP. It outlines the thematic areas for UNDP technical assistance, focusing on sustainable human development (SHD) and national capacity-building, within the framework of the country's economic and social development priorities. It draws upon the lessons learned from previous cooperation with UNDP, particularly through the fifth country programme (1992-1996), the April 1995 mid-term review of that programme, the draft country strategy note, and the numerous studies, analyses and surveys carried out by the United Nations system in several development areas.

2. The first CCF will cover four years, from 1997 to 2000, in order to synchronize it with the period covered by the National Development Plan, 1996-2000, and to gradually achieve harmonization with the programmes of other United Nations agencies (the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF)) which also cover periods ending in the year 2000.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The Syrian Arab Republic is a middle-income country in a strategic geographical location in the Mediterranean basin. Several socio-economic characteristics define the country: a rapidly growing population, a modest natural resource base, an arid climate, and a relatively diversified economy.

4. In 1994, the country's population stood at 13.7 million, 45 per cent of whom were under the age of 15 years. With a growth rate of 3.29 per cent per annum, the population is expected to reach 18.9 million in 2005 and 32.5 million by the year 2025.

5. With no substantial mineral resources, the Syrian Arab Republic has had to rely on agriculture and human capital to stimulate its economic development. Since the early 1970s, a medium-size and diversified industrial base has developed and the production of modest oil resources has grown. Nevertheless, the agricultural sector continued to provide the economic base for the country.

6. Wide-ranging socio-economic achievements have been made during the past three decades, characterized primarily by political and economic stability. The growth of gross domestic product (GDP) has been relatively steady since 1965, at times exceeding 6 per cent per year.

7. The Syrian Arab Republic has consistently emphasized its population's well-being and the development of its human capital. As a result, notable progress has been made in the provision of basic amenities in health, education and social services. The country was ranked by the Human Development Report 1994 as one of the top 10 performers in human development for the 1960-1992 period. Life expectancy at birth rose from 49.8 years in 1960 to 66.4 in 1992.

The infant mortality rate dropped from 135 per 1,000 live births in 1960 to 40 in 1992. Total fertility rates declined nationally from 7.5 in 1978 to 4.8 in 1993. The enrolment ratio for all levels of education increased by 6 per cent from 1980 to 1990 and adult literacy rose from 40 per cent in 1970 to 67 per cent in 1992.

8. In spite of the above-mentioned achievements, the country still faces many challenges. Although there is an absence of reliable data, surveys suggest the existence of population groups whose living conditions require significant improvement. Disparities still exist - for instance, mortality, fertility and illiteracy rates are higher in rural areas.

9. The Syrian constitution and other legislative texts assert gender equity. The position of women in society has evolved greatly in the past 30 years. Their participation in the workforce is estimated at 21 per cent. But full account is not always taken of their contribution in rural areas and in the informal sector, such as in casual labour or in non-remunerative family jobs. In general, illiteracy rates are higher among women, who tend to have fewer formal employment opportunities. Further efforts should be directed towards improving the literacy rate of women, as well as their access to land, capital and technology, thus enhancing their efficiency and production inside and outside their homes and reducing their vulnerability and potential exposure to hardship.

10. The country faces a serious challenge in the area of employment. Each year large numbers of people, with varying degrees of education and skills, enter a labour market that does not offer sufficient job opportunities. Considerable investments are needed in order to accommodate a growing demand for jobs that is expected to reach 450,000 by the year 2000. The skills/profiles of the labour force must also be reviewed in terms of the changing structure of the labour market.

11. Demographic expansion, increased irrigation structures, urbanization and industrial activity will exert further pressure on the country's fragile environment and scarce resources, particularly water. The growth of cities has also created growing problems of congestion and air and water pollution.

12. Given the globalization of the world economy, it is vital for industries in the country to secure a favourable position in international markets dominated by intense competition, tight regulations and strict quality norms and specifications. To optimize the country's great export potential, the Government lifted some import restrictions, simplified trade procedures, adjusted exchange rates, introduced modern information systems and strengthened export finance mechanisms, trade facilitation and the banking sector.

13. The Government's development policy will continue to focus on the following objectives: (a) to raise living standards and achieve a better balance between income and consumption; (b) to improve the performance of the economy and optimize the use of natural and financial resources; (c) to make the agricultural sector the engine of growth; (d) to modernize and strengthen the industrial sector to satisfy the domestic needs and compete in international markets; (e) to increase export capacity to lower the trade deficit and augment

foreign currency earnings; (f) to intensify rural development programmes to reduce rural/urban disparities and improve basic services; and (g) to incorporate population and environmental concerns in development plans.

II. RESULTS AND LESSONS OF PAST COOPERATION

14. Due to the significant decline in external aid flows, since the mid-1980s, the Syrian Arab Republic has had to rely primarily on its own resources to maintain its monetary equilibrium and stimulate economic growth. The amount of official development assistance has fluctuated extensively and constitutes a relatively small proportion of the Government's development expenditure (6 per cent).

15. The fifth country programme (1992-1996) addressed three broad areas of cooperation: (a) support to economic policy development and management; (b) environment and natural resource management; and (c) development of rural areas through sustainable agricultural production and human resource development.

16. The fifth country programme included allocations of $11.2 million in indicative planning figure (IPF) resources and $3.75 million in cost-sharing. The mid-term review of the programme, held in April 1995, confirmed the relevance of the objectives and the impact of UNDP support on a number of key areas, such as rural development, irrigation and environmental management. It also highlighted a number of lessons to be considered in designing future cooperation programmes. These include: (a) the need to re-orient UNDP-supported activities to further integrate poverty alleviation, job creation and women's concerns into future programmes and to ensure that the advancement of women and environmental protection permeate all UNDP-supported interventions; (b) the need to conceive new initiatives within a more integrated programme approach, focusing more on linking sectoral and macroeconomic-level objectives and concerns to ensure a higher level of strategic impact; and (c) the need to foster national execution as a means of enhancing national capacities, which will entail the establishment of measures that will enhance understanding of rules and procedures and clarify responsibilities between the national executing agent and the UNDP country office.

III. PROPOSED STRATEGY AND THEMATIC AREAS

17. Given its mandate to promote SHD and in line with the Government's own socio-economic development objectives and priorities, during the period covered by the first CCF UNDP interventions will focus on three main areas: (a) capacity-building for SHD; (b) sustainable use of natural resources and environmental conservation; and (c) economic governance.

18. To pursue these objectives, UNDP will adopt the following strategies:

(a) A gradual shift towards SHD that addresses the human dimension of development more systematically and explicitly by supporting upstream national initiatives and selected downstream projects that aim at providing people with

low incomes with access to skills, jobs, credit, and opportunities for participation in the development of the country;

(b) Capacity-building at national and local levels; through human resource development, the strengthening of relevant institutions, promoting participatory approaches and mobilizing local capacities;

(c) Acting as a catalyst for resource mobilization and promoting access to sources of development assistance and other financing, using the programme approach. UNDP resources will be used primarily in interventions that are related to SHD and likely to generate cost-sharing resources;

(d) Supporting global compacts by integrating of the recommendations of United Nations global conferences into the framework of UNDP-supported interventions and, to the extent possible, translating them into concrete field interventions.

19. Whenever possible, gender and environmental concerns will be built into all UNDP-supported interventions.

A. Capacity-building for sustainable human development

20. The investments made during the past three decades in education, health and other social areas and the successes achieved reflect the Government's concern for improving the well-being of the population. Consolidating past achievements and sustaining a judicious balance between population, the economy and the environment call for the articulation of specific SHD strategies and objectives and their incorporation into development plans. Therefore, the objective of UNDP cooperation in this area is to contribute to the creation of a climate that is conducive to the further enhancement of SHD in the Syrian Arab Republic in the following areas:

(a) National poverty mapping and goal setting. The objectives under this programme will be to define and map poverty and analyse its causes and determinants through systematic research and analysis; disseminate SHD-related information; prepare a national human development report; and develop proposals for social development and poverty alleviation strategies and programmes. This initiative will be coordinated by the establishment, in close cooperation with the Economic and Social Commission for Western Asia, of a collaborative SHD forum that will involve and rely upon existing structures, so as to maximize the use of available skills and capacities;

(b) Job creation and sustainable livelihoods. UNDP support will address the Government's strategic concerns through a review of the national policies on vocational training and technical education. This initiative will build on the survey of the labour market conducted in 1996 by the International Labour Organization as part of a TSS-1 project.

(c) Community development interventions. The Government proposes that initiatives in this area serve as pilot projects for testing new participatory approaches in extending direct support to communities, through innovative credit

schemes and access to such aspects of production as revolving funds. The economic empowerment of women in rural areas will be emphasized. The proposed activities will include socio-economic surveys, training in the establishment of small businesses and the identification of technologies that conform with locally available resources. These initiatives will be closely coordinated with those of WFP, UNICEF, UNFPA, the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Health Organization.

21. Expected impact. The establishment of a viable information base (the national human development report), increased awareness among government officials and civil society of the country's SHD priorities and their active involvement in the articulation and adoption of poverty and vocational training policies and strategies will represent the main success indicators in this thematic area. At the field level, success will be measured by the extent to which income-generating activities have an impact on people's living conditions.

B. Sustainable use of natural resources and environmental conservation

22. Formulating and implementing policies and strategies to sustain economic growth without endangering the environment and compromising the development process is a challenge for the Syrian Arab Republic. Addressing environmental concerns will require the further strengthening of local capacities, the enhancement of technical and managerial skills, intersectoral coordination, the establishment of information and databases, and the promulgation and enforcement of legislation. Such capacities will also enable the country to fulfil its obligations under international conventions.

23. Enhancement of capacities in environment and natural resource management. The ongoing programme, funded from the IPF, Special Programme Resources and Capacity 21, will continue to be carefully monitored, in order to ensure the completion of an integrated and comprehensive Agenda 21 for sustainable development. UNDP will also extend support to ensure the country's effective participation in regional initiatives such as the Mediterranean Environmental Technical Assistance Programme.

24. A Global Environment Facility (GEF)-funded project will further promote environmental awareness and build national capacities to manage and monitor national resources and initiate action for the conservation of the most endangered species of flora and fauna.

25. To sustain livestock and conserve the environment, UNDP will provide support for the development of a national action plan to protect the deteriorating steppe (55 per cent of the country), in line with the Convention to Combat Desertification in Those Countries Experiencing Drought and/or Desertification, Particularly in Africa and within the framework of the Government's programme to protect and reduce the vulnerability of livestock and pastoralists to environmental hazards.

26. Special attention must be paid to soil fertility. Current practices related to the use of fertilizers are still weak. Given the limited arable land and the growing food requirements in the country, the sustainable use of soil through productivity enhancement and vertical expansion is imperative. Subject to the availability of financial resources, UNDP support will be used to introduce improved soil management and agricultural practices.

27. The rapid decline in non-renewable water reserves has highlighted the need for well-focused macro-level interventions aimed at sound long-term management of water resources. Consequently, the Government proposes the preparation, using the programme approach, of a comprehensive national water strategy, including: (a) a master plan covering key aspects such as pricing policies, interministerial coordination mechanisms, a national water database, and specific targets for optimal supply and demand of water; (b) the rationalization of water use through continued UNDP support for the facilitation and expansion of techniques that reduce wastage and salinity problems, since irrigation absorbs 87 per cent of the annual water consumption; and (c) UNDP support for the preparation of an action plan to address concerns related to the quality of both ground and surface water, which are often threatened by pollution resulting from sewage systems, domestic waste or industrial effluent, as well as the absence of used-water treatment practices.

28. Sustainable energy. With a limited oil reserve, the Syrian Arab Republic is compelled to adopt more efficient methods for the rational use of energy resources through demand-side management, the introduction of appropriate technologies, consumer awareness and pricing policies (at industrial and household levels), and the promotion of renewable energy sources. UNDP target for assignment from the core, GEF and Organization of Petroleum Exporting Countries resources will be combined to implement a large-scale energy-efficiency improvement programme that will address both supply and demand and focus essentially on the improvement of efficiency in power generation through advanced efficiency-control and maintenance and management systems and the introduction of the concept of integrated resource planning. At a more global level, the initiative will help to promote investments in energy projects that are beneficial to the global environment and reduce carbon dioxide emissions.

29. Through the UNDP Energy Account, the Government of Japan has provided funds for a project to improve living conditions in rural areas. Village-level training will be provided in the operation, maintenance and management of small-scale photovoltaic systems. In addition, assistance will be provided for the formulation of a suitable institutional framework for decentralized rural electrification and a study related to the promotion of local cottage industries based on solar energy.

30. At the same time, GEF support has been secured for an enabling project in the area of climate change, linked to the United Nations Framework Convention on Climate Change. That project aims to improve the capacities of the national institutions and increase public awareness of climate change issues.

31. Expected impact. The finalization and adoption of a national Agenda 21 and a national water strategy and their translation into concrete action plans for the sound and integrated management of resources will constitute the key

indicators of success in this thematic area. At the community level, UNDP support is expected to result in increased environmental awareness among users and local communities as well as environmentally sound technologies and irrigation and farming practices. With regard to sustainable energy, specific benchmarks will be defined to measure efficiency gains in the production and use of electricity as well as in the reduction of carbon dioxide emissions.

C. Economic governance

32. Since the 1970s, the Syrian economy has been based on the principle of economic pluralism. However, the public sector still accounts for the majority of economic and service activities in the country. It currently employs 24 per cent of the labour force and accounts for 40 per cent of GDP. In this context, the Government has adopted a number of measures aimed at increasing the effectiveness of the public sector and stimulating further participation of the private sector, the most important of which are the 1991 law on investment promotion and the decree on the management of the public sector.

33. Improving the management of public enterprises. The comparative advantages of UNDP will enable it to provide the necessary technical backstopping for the Government's efforts to improve the public sector efficiency. UNDP will help the Government to prepare and implement a programme targeting key institutions that will cover: (a) the analysis of public policy, strategic planning, performance and human resource management; and (b) the streamlining of working methods, the development of skills and information systems, and the introduction of modern management technologies.

34. UNDP will also provide support to national training institutions concerned with administrative development (e.g., as the Economic and Social Development Planning Institute and the Management Development Centre), mainly in the introduction of modern curricula and teaching tools.

35. Export promotion. The UNDP-supported Round Table on Export Promotion, held in May 1996, provided an opportunity to identify the constraints to the sustainable growth of the country's exports, the prerequisites for a conducive environment for export growth, as well as the areas for potential cooperation with UNDP and other multi- and bilateral partners. In light of the above, UNDP support will aim primarily at: (a) the review of relevant legislation, procedures and systems governing export operations and their development; (b) the enhancement of marketing skills and the provision of necessary information services on export markets; and (c) support for institutions concerned with quality control.

36. Expected impact. By the end of the period covered by the first CCF, sufficient information and knowledge should have been gained on the most appropriate concepts and tools for the modernization of the public sector; at least one public institution will have been streamlined; and several key institutions will have acquired the capacity to support critical dimensions of the public sector modernization programme for enhanced economic growth and exports.

IV. MANAGEMENT ARRANGEMENTS

37. Design, formulation and execution. In formulating new initiatives, every effort will be made to adopt the programme approach, which is expected to enhance programme effectiveness and impact and lead to less fragmentation of efforts and resources.

38. Experience with national execution has been mixed. While there is a consensus that the modality should be encouraged as part of the capacity-building process, the bottlenecks identified in the mid-term review need to be addressed by a national capacity assessment, the organization of a workshop, and more stringent selection criteria for national executing agents.

39. It is proposed that the possibility of using United Nations Volunteer specialists and domestic development services be examined in a more systematic manner. Similarly, cooperation with non-governmental organizations that have a comparative advantage due to their direct interaction with rural communities and the flexible nature of their operations should also be explored more systematically.

40. Monitoring and review. The first CCF will be subject to a review at the end of its second year. Other informal reviews will also take place, and the frequency of project and programme reviews and evaluations will be increased. The local Programme Advisory Committee mechanism will also be strengthened and expanded.

41. Resource mobilization. The resource mobilization efforts used during the fifth cycle yielded resources that reflected donors' interest in the development activities supported by UNDP as well as the organization's comparative advantages. Further joint Government/UNDP efforts will be made within a more strategic framework, using the programme approach and the country strategy note as the main reference document.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR THE SYRIAN ARAB REPUBLIC (1997-2000)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	2 711	
TRAC 1.1.1	3 758	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	148	
Subtotal	6 617[a]	
NON-CORE FUNDS		
Government cost-sharing	1 500	
Sustainable development funds	5 160	GEF: Enabling biodiversity, enabling climate change and electricity
Third-party cost-sharing	2 500	
Funds, trust funds and other	700	
	of which:	
MDGD	200	
PSI	100	
Arab Poverty Fund	400	
Subtotal	9 860	
GRAND TOTAL	16 477[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; MDGD = Management Development and Governance Division; PSI = Poverty Strategy Initiative; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.